FINDINGS FROM DATA GATHERING AND INITIAL OQ INSPECTIONS

OQ PUBLIC MEETING

SAN ANTONIO, TEXAS

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Topics To Be Addressed

- Why We Conducted Data Gathering and Initial Inspections
- What We Learned
  a. Operator Implementation Issues
  b. Inspection Protocols
- Expectations of an Inspection by Operators
- Plans For Future Inspections (Approach)

Purpose of Data Gathering and Initial OQ Inspections

- Better Understanding the Range of Implementation of Operator OQ Programs
- Identifying Key Implementation Issues for Resolution
- Evaluate Effectiveness of Inspection Protocols

Goals of Data Gathering Visits and Initial OQ Inspections

- Evaluate Practices to Ensure that All Individuals, Including Contractors, are Qualified to Perform Covered Tasks
- Identify Noteworthy Practices
- Involve State Inspectors to Develop Standard Inspection Protocols
- Promote Uniformity of Inspection and Enforcement: Federal and State

Findings from Data Gathering Visits

Data Gathering Visits – Purpose

- Build and validate protocols for inspection process
- Early identification of implementation issues
  a. Regional differences
  b. Differences between types of operators (large/small, gas/liquid)
  c. Operator understanding of requirements

Data Gathering Visits - Scope

- 16 Operators
- Across all 5 Federal Regions
- Hazardous Liquid and Natural Gas Operators
- Large and Small LDCs, Interstate and Intrastate Facilities
- From August 14 – October 23, 2002

Data Gathering Visits - Results

Re-evaluation Intervals

- Many used 3-year intervals except for welding, fusion
- No performance basis for 3-year intervals, cited OSHA requirements

Results - continued

Work Performance History Review (WPHR)

- Limited use by most operators
- Some operators did not use at all for initial evaluation
- One operator evaluated all employees using WPHR – documentation issue

Results - continued

Abnormal Operating Conditions (AOCs)

- Many operators defined both generic and task-specific AOCs
- Large variation in number and specificity of AOCs
- Use of training modules by most operators
- One operator relied on familiarity of individuals with tasks to anticipate AOCs with no additional training

Results - continued

Direct Observation

- Some operators limited to employees only
- Some operators excluded welding, fusion (which must be performed by qualified individuals)
- Plans re-stated OQ Rule requirements, no guidance developed for task-specific span of control

Results - continued

Management of Change (MOC)

- Some operators had detailed and documented methods for MOC
- Some operators had informal approach to MOC

Results - continued

Good/Noteworthy Practices

- Training of Evaluators
- AOCs and Covered Tasks Determined Using Subject Matter Experts
- Performance Evaluation Program for Physical Capability
- Criteria for documented performance monitoring methodology was used as basis for 5-year reevaluation interval

Findings from Initial Inspections

Initial Inspections – Purpose

- Validate protocols developed for inspection process
- Identify additional OQ implementation issues
- Begin inspection process following OQ Rule implementation date of October 28, 2002

Initial Inspections – Scope

- Three operators to date – two hazardous liquid, one natural gas
- Three Federal regions where headquarters existed
- Used Stage 1 protocols as basis for inspection

Initial Inspections – Results

Re-evaluation Intervals

- Variable – one year to five years
- No performance basis for 3-year intervals, cited OSHA requirements
- One operator used 5 years, not to exceed 7 years – no documented basis
- Only one operator considered shorter intervals for complex or infrequently performed tasks

Results - Continued

Abnormal Operating Conditions (AOCs)

- Both generic and task specific AOCs defined by all operators
- No formalized and documented methodology to identify new AOCs from “near-misses”

Results - Continued

Definition of Operations and Maintenance

- Operators did not consider replacement of out-of-service pipelines as O&M
- OPS differs with operators based on definition of “pipeline facility”
- Potential compliance issue

Results - Continued

Knowledge, Skills and Abilities

- Varying levels of knowledge-based and skills evaluations – not consistently applied to all covered task performers
- None of the operators formally evaluated abilities (physical capabilities) to perform tasks

Results - Continued

Evaluation Methods

- Insufficient level of detail in evaluation process – questionable qualification
- Some operators evaluate knowledge and skills for employees, accept knowledge-only evaluation for contractors
- Inconsistent methods for qualification between employee groups
- One operator used dated tests as basis for qualification – quasi-WPHR

Results - Continued

Criteria, Documentation, Methodology

- Insufficient development of program detail in multiple areas
- Tendency to parrot rule requirements without thinking through implementation

Results - Continued

Direct Observation

- Plans re-stated OQ Rule requirements, no guidance developed for task-specific span of control
- All covered tasks could be performed by non-qualified individuals

Results - Continued

Covered Task List

- Excavation identified as covered task by one operator, not by others
- Other risk-significant tasks not always considered
- Emergency response tasks not considered

Results - Continued

Supervisor Dependence

- Operators place significant responsibilities on front-line supervisors for success of OQ program
- Absence of criteria, documentation and methodologies in programs “set up” supervisors for failure

Results - Continued

Good/Noteworthy Practices

- Strong Management of Change processes
- Internal identification of covered tasks and verification against industry lists
- Methodology to identify and communicate “near-misses”
- Work management system with OQ linkage

Results - Continued

Inspection Process

- Protocols restructured to focus on verification of rule requirements and provisions established under the verification
- Field verification is critical

Perspective on Inspection and Enforcement of OQ Rule

Enforcement of the OQ Rule

- As stated, federal and states will vary in enforcement of the rule
- OPS will utilize all methods of enforcement tools to address inadequate plans, records, and compliance of the rule

Enforcement - Continued

These include:

- Notice of Amendment (NOA)
- Notice of Probable Violation (NOPV)
  1. Proposed Compliance Order (PCO)
  2. Proposed Civil Penalty (PCP)
- Notice of Area of Recommended Improvement (NARI)

Plans for Future Inspections

- Inspections will resume utilizing revised protocols
- Early Federal focus will be on large operators covering multiple regions

What to Expect During an Inspection

Federal/Interstate Operators

- 2 to 5 person team during first year
- Team leader from Region, additional federal inspectors, possible contractor support
- Possible representative from State Program
- Two to three day inspection process – Headquarters and field performance verification

Federal/Interstate (continued)

Pre-Inspection Information Needed by Team (Electronic acceptable)

- OQ Plan
- Covered Task List
- AOCs List
- OQ-Related Field Activities During and Following the Inspection
- Contact Person(s)

Inspection Vehicle – Federal/Interstate

- Eight-Element Program using Protocols Developed specific to Operator Qualification
- Stage 1 OQ Inspections through May 2003
- Stage 2/Comprehensive OQ Inspections are scheduled to begin June 2003

What to Expect During an Inspection

State/Intrastate Operators

- 1 to 3 person team, depending on state program
- Possible representative from federal region
- One to three day inspection process – Headquarters and field performance verification
- Inspection protocol may differ from Federal

THE END